

*The following is a reprint and update of an article printed in the RGAR (Royal Gorge Association of Realtors) newsletter dated May, 1997. It is reprinted in 2004 and then again occasionally as it appears to be applicable. Last updated June, 2017.*

I have put together the following thoughts and facts on Modulars and Manufactured Homes in hopes that it will help us all in determining their differences. I hope it helps. Gary

## **MODULAR OR MANUFACTURED HOME!!!???**

Over the years, a notable confusion has been growing over what the difference between manufactured homes and modular homes is. From the outside, many look the same; however, a much closer look at these units may aid the appraiser and real estate agent in their correct identification.

In the past, a generic term for any double-wide was the term modular. Even the term mobile home gets thrown around more than proper. Why you ask? In August, 1982, HUD issued an amendment to original descriptions of mobile homes. In this amendment, it was determined that they will be called Manufactured Homes. This was to aid in separating them from the older "mobile homes" manufactured prior to June 15, 1976.

Mobile Home?!! Manufactured Home?!! Modular Home?!! So why is it so important to be so correct on such a technicality? First of all, when appraising or selling a property, we as professionals should know the subject better than most. Many of us have run into situations where underwriting has thrown a wrench into financing over some question on the foundation, the year built, have the axles been removed, did you find the HUD tags, etc. What they are trying to determine is 1) What is it? and 2) Is it done such that secondary market may buy it? We as professionals must therefore know what it is that we're selling or appraising since some loan companies will not accept manufactured homes, most will not even consider mobile homes (built prior to 6/15/76), and, most will actually finance modular homes (true modulars - not the aforementioned generic assumption of what they are). Knowing what the property is can also limit potential liability to the agent or appraiser when initial funds has been spent on the procuring of financing (appraisal, credit report, home inspection, etc.) when in fact the property may not have ever been eligible in the first place.

When accepting a property for assignment, one should first determine its year built. If prior to 1976, it may not be eligible for most financing; however, if it is a modular, a "Factory Built Unit Certification" might be located if it was built from 1971 to current. This certifies its being built to the requirements of the Universal Building Code (UBC), the same typically required of site/stick-built homes. While such UBC stickers typically are supposed to be found under the kitchen sink or even on the exterior, I have personally found that finding such a sticker can be at best extremely challenging - especially on older dwellings.

If a unit is built after 6/15/76, a HUD tag may be found on the rear of each of the units (assuming a double-wide). This would mean that it is a Manufactured Home and built to HUD Standards & Safety Requirements. HUD TAGS INDICATE THAT THIS IS INDEED A MANUFACTURED HUD HOME.

If such a tag cannot be found and you know it was probably built after June, 1976, new siding could be the culprit. Required of most new loans, it may be required that the siding be pulled back so that a picture may be taken of the tag. If the tag is still not found (such as original siding having been removed) and you need to be sure that it is in fact a manufactured home, one may need to request verification from [www.ibts.org](http://www.ibts.org). They will require as much info as possible including VIN or Serial #, year built, model, manufacturer, etc. The more information provided, the better the chance they can help. As a rule of thumb, when viewing underneath such units, two large metal beams may be found running the length of each of the units. If you see these, it is typically a manufactured home. This would be an On-Frame or On-Chassis unit. This is not always the case though as manufactured homes may also be Off-Frame (or Off-Chassis) wherein the metal beams would be absent and floor joists would be found which look more typical of a many modulars or a site-built home. Metal beams underneath does NOT automatically indicate manufactured home.

As a general rule, manufactured homes are brought to the property utilizing these metal beams to which is attached the axles/wheels and hitch; moreover, THEY SUPPORT THE UNITS - PERMANENTLY!! Modular homes, as a general rule, will be brought to the site in sections - any sections - and may not be dependent on these metal beams which are typically utilized to transport the units then REMOVED. If removed from an On-Frame home, the infrastructure of the unit will not support the weight of the unit. Once again, as a general rule, if you see these metal beams, it is an On-Frame home which is more typically a manufactured home. If you see floor joists like a regular stick-built home but no metal beams - it is Off-Frame home and more possibly a modular home. Please note once again that if HUD tags are found, it is still a manufactured home regardless of the floor/foundation structure.

Because of these infrastructure differences, the foundation differences also become important; however, sometimes it requires engineering certification to establish whether a foundation is "permanent" or merely situated on the ground. The most important difference of the Off-Frame foundation vs the On-Frame foundation lies once

again in the infrastructure of the respective units. On-Frame homes rely totally on the aforementioned metal beams; therefore, the weight of the units will be ON THESE BEAMS which in turn are typically supported by a block/pier on footer, said footers to be poured to acceptable standards. Please note then that on an On-Frame home, what appears to be a perimeter foundation is probably merely a skirting, albeit a possibly very nice one such as when block or poured concrete is used. (This quality of skirting is not required however as other "less durable" materials may also be utilized provided that such a skirting keeps the weather and critters out of the crawl space area).

Off-Frame homes, due to their construction, will not have the I-beams and must therefore have a perimeter foundation of typically block or poured concrete. Unlike the On-Frame homes (such as the typical Manufactured Home), the weight of the unit(s) for Off-Frame is actually on the perimeter and under the center marriage wall with some other secondary floor support being situated throughout, these being typically of block, metal stands or even 4x4 on footers. The main difference then is that the weight of the On-Frame homes is on the metal beams while much of the weight of the Off-Frame is on the perimeter foundation, just like a site/stick-built home. So once again, how does one tell the difference between a manufactured home with a nice block skirting verses a modular home with block or concrete perimeter foundation? This is a trick question as either one could be Manufactured or Modular so do NOT depend only on the foundation or undercarriage to determine absolutely whether a dwelling is Manufactured or Modular but rather look for the UBC Sticker, Data Plate or HUD Labels (tags).

In summary, it is noted that HUD tags and floor joists may be found common to the same units. Moreover, even modular construction may find a permanent metal chassis under some models. This has been more prevalent in recent years with some IRC modular (International Residential Code). While not as common, they do represent the changes and variances in options which must be noted by the real estate professional so as to understand what is being listed, shown or appraised.

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